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NEW TOLL-FREE NUMBER

The Indiana State Teachers' Retirement Fund is proud to announce our new toll-free phone number! Dr. William E. Christopher stated, "Our members should not be expected to pay for a long distance phone call simply because they have a question about their Fund." This number can be used for any calls within the Continental United States.

Please cut out this convenient reminder to place by your phone:

**INDIANA STATE TEACHERS' RETIREMENT
FUND**
(888) 286-3544

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LEGISLATIVE UPDATE

Two bills have been introduced to the 2000 Indiana General Assembly that directly affect the Indiana State Teachers' Retirement Fund:

Senate Bill 64

This proposed legislation would establish TRF as an independent body corporate and politic. This means that TRF would no longer be a state agency in the traditional sense. TRF would still be controlled by the Indiana General Assembly and would be required to make annual reports to the legislature. With newly granted abilities to invest, TRF must be in a position to quickly respond to market changes. The independence created in this bill would allow TRF the freedom to exercise its own judgment on such issues as personnel staffing and selection of vendors and service providers. By becoming an independent body corporate and politic, TRF would be better suited to respond to and address the needs of our members.

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**Attention Year
2000 Retirees**

Due to the heavy load of retirements being processed during the summer months, retirement interviews and direct phone calls to retirement counselors will be halted on June 30, 2000. They will resume on November 1, 2000.

**THIS MEANS THAT IF
YOU ARE PLANNING
TO RETIRE ON JULY 1,
2000, YOU SHOULD
MAKE AN
APPOINTMENT FOR A
RETIREMENT
INTERVIEW AS SOON
AS POSSIBLE.**

Further, please ensure that your "Application for Retirement Benefits" is completed in the proper manner. If you fail to include all supporting documentation - e.g. birth certificate, direct deposit form, federal tax forms, etc. - your application and documentation will be returned to you. You will need to include the omitted information when you resend the application and complete documentation.

Retirement Meetings

February will be a busy month for Ms. Bettie

Newland's Notes

As I stated in my last article, I'd like to talk about the Fund's composition and asset allocation.

As with most retirement plans, the Fund is composed of assets coming from three sources: the employees, the employer, and investment returns. As mandated by state law (IC 5-10.2-3-2), members are required to contribute 3% of their contract salary to their Annuity Savings Account. It is either directly deducted after taxes and sent to us quarterly by their school corporation or it is sent to us quarterly on a pre-tax basis by the school corporation as an "employer pick-up" (IRS Code, section 414). Employer contributions come from regular installments to the Pension Stabilization Fund and from an actuarially determined contribution rate of 8.5% of salary. Finally, investment returns represent the common stock dividends, bond coupon income and capital gains (or losses) that the various investments have earned.

What happens to the money after we receive it? Employee funds are directed by the individual employee into one of the five investment options that the Fund currently offers: S&P 500 Index, Small Cap, International, Bond, and Guaranteed. Under current law (IC 5-10.2-2-3), all options are interchangeable in multiples of 10% on a quarterly basis. Employer money, on the other hand, is directed by an "asset allocation" plan. Drawn up with the assistance of our investment consultant and actuary, this plan proposes to maximize potential return by designating what proportion of the money should go into stocks and what proportion should go into bonds. The plan is primarily based, among other things, on the history of past returns for stocks and bonds, future capital markets expectations for these same asset classes, and current funding and legal issues. The asset allocation also delineates things like capitalization range (large, mid or small stocks), style (active or passive; growth or value), market (domestic or international), and sub class (government or corporate bonds). The current asset allocation for employer funds is: 36% in domestic stocks, 10% in international stocks, 6% in real estate, and the remainder (48%) in bonds. Because market conditions, funded status and legal issues change, the asset allocation process is revisited approximately every two or three years to

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**TRF Staff Tours
Other States to
Learn Best
Practices**

As a part of our continuing computer project, three TRF staff members recently visited retirement pension systems in Pennsylvania, South Carolina, and Mississippi to learn about their best practices. Tom Abbett, TRF's Chief Accountant, focused on the accounting methods used by the other systems to manage the funds and disburse benefits. TRF's Acting Program Director for Benefits, Shelley Horner, observed the actual pension administration, including management of staff resources. She also learned how other systems utilize these resources to process information and provide quality service. Finally, Suzie Sellers, Manager of Administration, was busy obtaining information on ways to develop imaging efficiencies and backfile conversion proposals. This knowledge will serve TRF well since the imaging technology will be a part of the new computer system.

IMPORTANT POINTS

As a service to you, we would like to present the following points to address situations that frequently arise in our daily operations:

ACTIVE MEMBERS

- If you are changing your beneficiary, please note that your new designation completely replaces all previous designations. If you intend to retain a beneficiary along with your new designation(s), they must be listed on the submitted form.
- Please be sure that TRF has a copy of your birth certificate and those of any beneficiaries.
- TRF members cannot add additional funds to their annuity savings account.
- You may not borrow money against your annuity savings account.
- Our quarterly statements will no longer list the names of schools where you have worked.
- Any changes made to your Annuity Savings Account are effective for a full twelve-month period. This means that if you make a change effective January 1, 2000, you will be eligible to make a subsequent change on January 1, 2001.
- If you want to purchase private school service credit, you need to have a minimum of one year of Indiana service.

RETIRED MEMBERS

- Retired members must wait ten days before filing a "Lost Check Affidavit" (State Form 15061). To obtain a copy of this affidavit, please contact our office.

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Teachers' Retirement Fund Phone Numbers

**You can find out
about the following at**

our main number.....(317) 232-3860

Or at our New

Toll Free Number.....1-888-286-3544

Benefit Check Deduction, Benefit Check
Health Insurance Deductions, Counseling,
Death Reports, Direct Deposit,
Lost Checks, Service Credit and
Withdrawals.

Other Services:

Investments.....232-3868

School Reports.....232-3873

TDD/TTY.....233-3306

Director's Office.....232-3869

FAX Number.....232-3882

Visit our site on the World

Wide Web at..<http://www.state.in.us/trf>

Indiana State Teachers' Retirement Fund

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DRIVER EDUCATION

AA Indiana Driving School, founded in 1945, was the first commercial driving school licensed in the State of Indiana. It is a state approved driver education facility with instructors who are all licensed by the Indiana Bureau of Motor Vehicles. AA Indiana Driving School is Indiana owned and operated by State of Indiana Licensed Educators.

AA Indiana Driving School trains approximately 2,500 teenage drivers and 300 adults per year. Their four training centers are located in Carmel, Indianapolis, Columbus, and Noblesville. AA Indiana Driving School conducts all phases of training from beginners or novice to experienced professionals. All training is done in late model, air-conditioned, dual controlled vehicles on a one-to-one basis. Driver education classes are run year round on a three week cycle.

AA Indiana Driving School employs retired teachers working on a part-time and full-time basis. Additionally, many full-time public school teachers are employed as evening, weekend, and summer instructors. Instructors teach either in the classroom, in the automobile, or both.

If you would be interested in learning more about employment opportunities with AA Indiana Driving School, please contact Mr. Don Gross at (317) 844-5542.

EDUCATION

The Marion County Jail II is seeking qualified applicants to fill the following positions: **Principal:** The principal is responsible for managing the instructional